

UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, DC 20549



02019744

ANNUAL AUDITED REPORT  
FORM X-17A-5  
PART III

|                                |
|--------------------------------|
| OMB APPROVAL                   |
| OMB Number: 3235-0123          |
| Expires: September 30, 1998    |
| Estimates average burden       |
| Hours per response . . . 12.00 |

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| SEC FILE NUMBER |
| 8 - 52477       |

FACING PAGE  
Information Required of Brokers and Dealers Pursuant to Section 17 of the  
Securities Exchange Act of 1934 and Rule 17a-5 Thereunder

REPORT FOR THE PERIOD BEGINNING JANUARY 1, 2001 AND ENDING DECEMBER 31, 2001  
MM/DD/YY MM/DD/YY

A. REGISTRANT IDENTIFICATION

NAME OF BROKER DEALER:

VCAPITAL SECURITIES LLC

ADDRESS OF PRINCIPAL PLACE OF BUSINESS: (Do not use P.O. Box No.)

105 WEST MADISON STREET, SUITE 1900

(No. And Street)

CHICAGO,

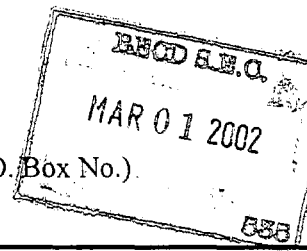
(City)

IL

(State)

60602

(Zip Code)



OFFICIAL USE ONLY

FIRM ID. NO.

NAME AND TELEPHONE NUMBER OF PERSON TO CONTACT IN REGARD TO THIS REPORT

WILLIAM MORENO

(212) 918-0400

(Area Code - Telephone No.)

B. ACCOUNTANT IDENTIFICATION

INDEPENDENT PUBLIC ACCOUNTANT whose opinion is contained in this Report \*

FULVIO & ASSOCIATES, LLP

ATTN: JOHN FULVIO, CPA

(Name - if individual state last, first, middle name)

60 EAST 42<sup>ND</sup> STREET

(Address)

NEW YORK

(City)

NY

(State)

10165

(Zip Code)

CHECK ONE:

☒ Certified Public Accountant

☐ Public Accountant

☐ Accountant not resident in United States or any of its possessions.

PROCESSED

MAR 20 2002

THOMSON  
FINANCIAL

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\*Claims for exemption from the requirement that the annual report be covered by the opinion of an independent public accountant must be supported by a statement of facts and circumstances relied on as basis for the exemption. See section 240.17a-5(e)(2).

1/23-19-02

## OATH OR AFFIRMATION

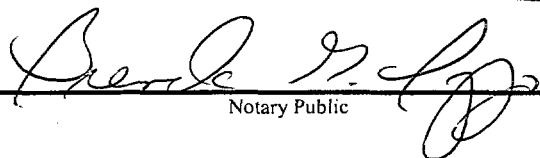
I, WILLIAM MORENO, swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm of VCAPITAL SECURITIES, LLC, as of DECEMBER 31, 2001, are true and correct. I further swear (or affirm) that neither the company nor any partner, proprietor, principal officer or director has any proprietary interest in any account classified solely as that of a customer, except as follows:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

BRENDA G. IZZO  
Notary Public, State of New York  
No. 31-4964973  
Qualified in New York County  
Commission Expires June 2, 2002

  
\_\_\_\_\_  
Signature

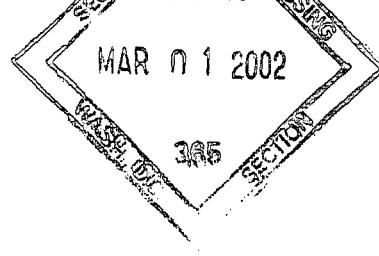
PRINCIPAL  
\_\_\_\_\_  
Title

  
\_\_\_\_\_  
Notary Public

This report \*\* contains (check all applicable boxes):

- ☒ (a) Facing page.
- ☒ (b) Statement of Financial Condition.
- ☒ (c) Statement of Income (Loss).
- ☒ (d) Statement of Cash Flows.
- ☒ (e) Statement of Changes in Stockholders' Equity or Partners' or Sole Proprietor's Capital.
- ☐ (f) Statement of Changes in Liabilities Subordinated to Claims of Creditors
- ☒ (g) Computation of Net Capital
- ☒ (h) Computation for Determination of Reserve Requirements Pursuant to Rule 15c3-3
- ☒ (i) Information Relating to the Possession or control Requirements Under Rule 15c3-3.
- ☐ (j) A Reconciliation, including appropriate explanation, of the Computation of Net Capital Under Rule 15c3-1 and the Computation or Determination of the Reserve Requirements Under Exhibit A of Rule 15c3-3.
- ☐ (k) A Reconciliation between the audited and unaudited Statements of Financial Condition with respect to methods of consolidation
- ☒ (l) An oath or affirmation.
- ☐ (m) A copy of the SIPC Supplemental Report.
- ☐ (n) A report describing any material inadequacies found to exist or found to have existed sin the date of previous audit.
- ☒ (o) Supplemental independent Auditors Report on Internal Accounting Control.

*\*\*For conditions of confidential treatment of certain portions of this filing see section 240.17a-5(e)(3).*



VCAPITAL SECURITIES, LLC  
STATEMENT OF FINANCIAL CONDITION  
DECEMBER 31, 2001

# FULVIO & ASSOCIATES, L.L.P.

JOHN FULVIO, CPA  
SUSAN E. VAN VELSON, CPA  
CHRISTIAN TIRIOLLO, CPA

*Certified Public Accountants*

60 East 42nd Street  
New York, New York 10165  
TEL: 212-490-3113  
FAX: 212-986-3679  
www.fulviollp.com

## INDEPENDENT AUDITORS' REPORT

To the Member of  
VCapital Securities, LLC

We have audited the accompanying statement of financial condition of VCapital Securities, LLC (the "Company") as of December 31, 2001. This financial statement is the responsibility of the Company's management. Our responsibility is to express an opinion on this financial statement based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statement is free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statement. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statement referred to above presents fairly, in all material respects, the financial position of VCapital Securities, LLC as of December 31, 2001, in conformity with accounting principles generally accepted in the United States of America.

*Fulvio & Associates L.L.P.*

New York, New York  
February 27, 2002

VCAPITAL SECURITIES, LLC  
STATEMENT OF FINANCIAL CONDITION  
DECEMBER 31, 2001

ASSETS

|                  |                      |
|------------------|----------------------|
| Cash             | \$ 23,396            |
| Prepaid assets   | <u>5,574</u>         |
| <br>TOTAL ASSETS | <br><u>\$ 28,970</u> |

LIABILITIES AND MEMBER'S CAPITAL

|  |                      |
|--|----------------------|
| Liabilities:                               |                      |
| Accounts payable                           | \$ 5,574             |
| Accrued expenses                           | <u>2,500</u>         |
| <br>TOTAL LIABILITIES                      | <br><u>8,074</u>     |
| <br>Member's Capital                       | <br><u>20,896</u>    |
| <br>TOTAL LIABILITIES AND MEMBER'S CAPITAL | <br><u>\$ 28,970</u> |

The accompanying notes are an integral part of this financial statement.

VCAPITAL SECURITIES, LLC  
NOTES TO FINANCIAL STATEMENT  
DECEMBER 31, 2001

NOTE 1      SIGNIFICANT ACCOUNTING POLICIES

a) Organization

VCapital Securities, LLC (the "Company") commenced operations as a limited liability company in April, 2000. The Company is registered with the Securities and Exchange Commission (the "SEC") and became a member of the National Association of Securities Dealers, Inc. (the "NASD") on November 1, 2000, when they commenced operations as a broker/dealer.

b) Income Taxes

No provision for federal and state income taxes has been made since the Company is not a taxable entity. The member is individually liable for the taxes on its share of the Company's income or loss.

NOTE 2      NET CAPITAL REQUIREMENT

The Company is subject to the Securities and Exchange Commission Uniform Net Capital Rule (rule 15c3-1), which requires maintaining a minimum net capital and requires that the rate of aggregate indebtedness to net capital, both as defined, shall not exceed 8 to 1. The Company is required to maintain minimum net capital equal to \$5,000. At December 31, 2001, the Company had net capital of \$15,322 and \$10,322 of excess net capital.

NOTE 3      RELATED PARTY TRANSACTIONS

The Company operates its business at the office space of a related entity. In addition, expenses are paid by the related entity.